

Before the
Federal Communications Commission
Washington, D.C. 20554

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| In the Matter of |) | |
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| Joint Application by BellSouth Corporation, |) | CC Docket No. 02-150 |
| BellSouth Telecommunications, Inc. |) | |
| and BellSouth Long Distance, Inc., for |) | |
| Provision of In-Region, InterLATA |) | |
| Services in Alabama, Kentucky, Mississippi, |) | |
| North Carolina, and South Carolina |) | |
| _____ |) | |

DECLARATION OF SHERRY LICHTENBERG

1. My name is Sherry Lichtenberg. I have twenty years of experience in the telecommunications market. Prior to joining WorldCom, Inc., I was Pricing and Proposals Director for AT&T Government Markets, Executive Assistant to the President, and Staff Director for AT&T Government Markets. I also held a number of positions in Product and Project Management. I have been with WorldCom, Inc. for six years. I am currently employed by WorldCom, Inc. as a Senior Manager in the Mass Markets local services team. We will refer to the division of WorldCom, Inc. that offers local residential service as "MCI." My duties include designing, managing, and implementing MCI's local telecommunications services to residential customers on a mass market basis nationwide, including Operations Support Systems ("OSS") testing in BellSouth and elsewhere. I have been involved in OSS proceedings throughout the country.
2. The purpose of my declaration is to describe the ongoing problems that WorldCom is experiencing with BellSouth's OSS. Let me first acknowledge that BellSouth's OSS continues to improve in some regards. For example, the line loss problem that I

described in response to BellSouth's section 271 application in Georgia and Louisiana appears to have been fixed. However, other key problems remain and new ones have developed.

3. WorldCom is now providing service to residential customers throughout the BellSouth region. WorldCom is providing service via its legacy systems in Georgia, Florida, Tennessee, Alabama, and Louisiana. WorldCom is providing service in partnership with Z-Tel throughout the rest of the BellSouth footprint by sending orders through Z-Tel's OSS. Because of the recency of WorldCom's launch in states other than Georgia and Florida, and the fact that in some states WorldCom is placing its orders through Z-Tel and thus has somewhat less visibility into the ordering process, we have not yet been able to determine the extent to which the increased ordering volumes are affecting BellSouth's OSS performance.
4. But it is already clear that some key problems exist. Most important, BellSouth's change management process remains deficient. Rather than improving, BellSouth's ability to smoothly implement new software releases appears to have grown worse since the FCC approved BellSouth's Georgia/Louisiana application. In particular, BellSouth's software release 10.5 was ridden with defects. In addition, BellSouth has adopted policy changes that make it more difficult for CLECs to compete. BellSouth has recently announced that it will reject orders for CLEC customers who request BellSouth long distance service. BellSouth also continues to misroute intraLATA calls and to disconnect customers during the migration process. In addition, it now appears, as the Tennessee Regulatory Authority concluded, that BellSouth's OSS is not regional, meaning that BellSouth has little basis for concluding its OSS is ready in the states for which it is now applying.

BellSouth's Change Management Process Does Not Yet Work.

5. During the course of the section 271 proceedings for Georgia and Louisiana, WorldCom explained the deficiencies of BellSouth's change management process. One of the deficiencies on which we focused was the inadequate internal testing of BellSouth releases and the resultant poor quality of those releases. We described the defects in BellSouth's release for migration by telephone number functionality last November; the defects in its release for parsed customer service records in January, and the defects in its release of its "single C" ordering process in March – each of which led to substantial problems for CLECs. The migrate by TN release, for example, led to a huge spike in rejects and the single C release lead to a huge decrease in the accuracy of line loss reports.
6. In Florida, KPMG opened Exception 157 because "BellSouth did not completely test code changes for Releases 10.2 and 10.3 prior to these releases going into production." KPMG identified 31 defect change requests for release 10.3, for example. KPMG found that "BellSouth's incomplete internal software testing may affect a CLEC's ability to efficiently execute transactions with BellSouth, resulting in CLEC customer dissatisfaction."
7. If anything, BellSouth's performance has been even worse since the Commission approved the Georgia/Louisiana application. Release 10.5 is the only release BellSouth has made since approval of that application. BellSouth was scheduled to implement release 10.5 on May 18 – May 19. BellSouth then delayed the release until May 31 because it found there were too many software errors to implement the release on the intended date.

8. Even after this delay, when BellSouth implemented Release 10.5 on May 31, the release contained an astounding number of defects. Between May 31 and June 11, BellSouth released notification for 25 defects. After WorldCom sent BellSouth a chart listing these defects, BellSouth acknowledged that 13 of them were attributable to Release 10.5 (for most of the others, including all of the documentation defects, BellSouth did not attribute the defects to a particular release). Subsequently, BellSouth announced two additional systems defects that it attributed to Release 10.5, as well as 8 additional defects that it did not attribute to any specific release, as well as additional documentation defects. Many of these defects are likely attributable to Release 10.5 as well, bringing the total number of defects for the release to at least 15 and probably closer to 30.
9. This is far from a typical release in the telecommunications industry. In the Verizon region, for example, a typical release has at most one or two systems defects. We do not believe there were any tickets opened with respect to recent Verizon releases. And internally, we consider a release of extremely poor quality if there are more than 10 errors. That is exactly why KPMG opened Exception 157 in Florida after releases 10.2 and 10.3. KPMG similarly found release 10.5 to be of poor quality and left Exception 157 open. KPMG found that for release 10.5, “there were significant defects in the software when releases were placed into the production environment.”
10. Many of the defects in Release 10.5 were important. For example, immediately after implementation of Release 10.5, BellSouth began rejecting all CLEC to CLEC migration orders. BellSouth rejected *all* orders through its TAG interface for versions 7.6 or below. BellSouth also rejected orders for new lines at locations where there is QuickService (working service on the premises or warm dial tone). And BellSouth rejected all

supplemental orders with a building, pier or wing as part of the address. Such orders are quite common as many addresses contain a building name. Finally, BellSouth began erroneously rejecting certain other orders.

11. Although many of these defects were corrected within the first week after the Release, these defects still caused significant problems in the interim. Other defects were not even scheduled to be fixed until August 25 or even later. For example, there is no date yet planned for fixing the defect based on which BellSouth will incorrectly return an error message on supplemental orders that contain building, pier, or wing information.
12. BellSouth's failure to take adequate steps to ensure the quality of its releases is apparent not only from the defects in Releases 10.5 and earlier releases but also in BellSouth's planning for Release 10.6. On April 26, BellSouth announced major changes that it intended to implement in Release 10.6 which was then scheduled for July. When CLECs requested a delay to the Fall, BellSouth refused to accommodate them.
13. The particular changes I am discussing are those designed in part to fix a major defect to which WorldCom pointed during the Georgia and Louisiana 271 proceedings. There we complained about the fact that BellSouth was incorrectly treating some intraLATA calls of CLEC customers as local calls and had not identified a root cause or implement a fix for many months. On April 26, BellSouth scheduled a fix for this problem, as well as other problems.
14. Rather than characterizing its fix as a correction to an existing defect, BellSouth mischaracterized it as based on a regulatory mandate. BellSouth stated that it intended to implement the fix in July as part of Release 10.6. The problem is that the change appeared to be a major one that could not be completed successfully in that time frame.

The documentation BellSouth provided pertaining to this release contained few of the details necessary for CLECs to understand the scope of the change or what coding changes would be needed on their side of the interfaces. It appeared, however, that the coding changes required would be too substantial for CLECs to complete successfully prior to the July release. Similarly, it appeared doubtful that BellSouth could successfully complete the changes on its side by that time – especially given its past history of poor release quality.

15. Viewing the “cure” as worse than the disease, WorldCom asked BellSouth to postpone implementation of the changes until the Fall. BellSouth responded, however, that if CLECs did not agree to a July implementation of the changes, BellSouth would implement the changes until 2003. Faced with this non-choice, CLECs picked implementation in July over implementation in 2003. This posed a huge risk of creating major problems, however.
16. Fortunately, BellSouth ultimately postponed Release 10.6 from July to August 24. The delay will benefit CLECs by providing more time for BellSouth to ensure smooth implementation of the release and more time for CLECs to prepare for the change. But the delay did not result from any decision by BellSouth to accommodate CLECs. Rather it was entirely fortuitous.
17. The fact is that BellSouth cavalierly believed that a major change could be adopted in two and a half months and refused to adopt a more reasonable schedule despite CLEC requests. BellSouth apparently still does not understand the importance of ensuring high quality releases through adequate preparation. The problem of defect-ridden releases will therefore likely continue to plague CLECs and significantly diminish their ability to

compete effectively. BellSouth has made no proposals for correcting the problem. If BellSouth continues to issue releases with the current level of defects, it is likely a future release will devastate CLEC business.

Misrouting of IntraLATA Calls

18. It is already clear that BellSouth's August release will not fully resolve the problem with misrouting of intraLATA calls as local calls. In its Georgia/Louisiana filings, BellSouth attributed the misrouted intraLATA calls as caused by an issue regarding calling scope. BellSouth said that this problem did not exist outside of Georgia.
19. On April 17, WorldCom provided BellSouth an example of 45 intraLATA calls that were misrouted as local calls in Florida, the only state other than Georgia for which WorldCom had experience at the time. On June 24, BellSouth finally responded to this list. BellSouth acknowledged that 12 of these calls were misrouted as a result of switch translation problems! E-mail from Greg Follensbee to Sherry Lichtenberg, June 14, 2002. That is exactly the explanation BellSouth originally provided for misrouted calls in Georgia before blaming the misrouting on issues having to do with calling scope. It is the latter problem that BellSouth claims it will fix with the release that is now scheduled for August. The translation problem will not be fixed in August.
20. Moreover, with respect to the remaining 33 calls, BellSouth claims that 31 of these calls were UNE originated calls to Land to Mobile Numbers and that these should record as a toll call and be carried by BellSouth as an intraLATA call. Since BellSouth has never provided clear documentation for this call type, we do not yet understand Bellsouth's response and intend to explore it further with BellSouth. Clearly, all calls from an MCI customer's line that are intra or interLATA in nature should follow the customer's PIC.

Whatever special deals BellSouth has with wireless companies should cease when the local customer leaves BellSouth. As noted, however, we intend to explore this issue further.

21. For now, what is important is that BellSouth appears to have a significant problem mistranslating its switches and this is leading to misrouting of intraLATA calls.

Single C Process

22. BellSouth has not yet implemented the single C ordering process for any of the states for which it is applying for section 271 authority in this application with the exception of Mississippi. The single C process would reduce the loss of dial tone caused by the existing two service order process. Under the current process, BellSouth creates a New order and a Disconnect order from every Local Service Request that CLECs submit for a UNE-P migration. If these two orders become disassociated or are not processed at the correct time, the customer can lose dial tone.

23. That is why the Georgia and Louisiana commissions ordered BellSouth to implement a new process in which migrations are processed using a single Change or C order. BellSouth implemented this process for Georgia and Louisiana in March 2002. But BellSouth does not intend to implement single C functionality in Alabama and South Carolina until July 21, 2002 and in North Carolina and Kentucky until August 4, 2002. In the meantime, MCI customers continue to lose dial tone as a result of the two service order process.

24. I am also concerned that when BellSouth does implement the change to a single C process, it will cause significant problems. The change to a single C process in March in other states caused just such problems – resulting in almost completely erroneous line

loss reports. Hopefully, BellSouth has learned from its mistakes. But it is not yet clear that BellSouth will be able to implement the single C process without causing new difficulties.

BellSouth Rejects Orders That Include Requests For BellSouth Long Distance Service

25. In Georgia and Louisiana, where BellSouth has been authorized to provide long distance service, BellSouth is refusing to allow CLEC local customers to request BellSouth long distance service. On June 14, 2002, BellSouth issued Carrier Notification SN91083138 announcing that CLEC customers could not order BellSouth long distance unless the CLEC entered a special “operational agreement” with BellSouth. BellSouth has not explained the terms of such an agreement.

26. In the meantime, BellSouth is rejecting CLEC orders when customers request BellSouth long distance service. A number of WorldCom orders have been rejected for this reason. Once they are rejected, WorldCom has no way of correcting the order unless it can persuade the customer to choose a different long distance carrier. In contrast, a BellSouth local customer can choose any long distance carrier.

BellSouth Has Not Shown Its OSS Is Regional

27. I have long had significant doubts that BellSouth’s OSS is truly regional. As I explained in response to BellSouth’s Georgia/Louisiana application, the fact that BellSouth’s OSS grew from two different sets of legacy systems – one in the South Central Bell states and one in the Southern Bell states fueled these doubts. The doubts were confirmed to some extent when BellSouth informed WorldCom that orders with asterisks in the address would be rejected in parts of the BellSouth region but would not be rejected in other

parts. And they were further confirmed when BellSouth implemented its single C ordering process in some states in its region before other states.

28. After conducting a thorough examination, including an evaluation of the Pricewaterhouse Coopers attestation of regionality, the Tennessee Regulatory Authority recently concluded that significant parts of BellSouth's OSS are not regional. The Authority found that BellSouth had not shown that its loop make-up process, its Legacy Systems, RSAG and ATLAS, its manual work groups, its documentation or its provisioning and maintenance and repair processes are regional. The Tennessee Commission noted that its decision "was based in part on evidence that was not addressed in the FCC order . . . approving BellSouth's Georgia/Louisiana Section 271 application." Order Resolving Phase I Issues of Regionality, 01-00362 at 40 (Tennessee Regulatory Authority June 21, 2002). The Commission explained that an empirical analysis of performance data on percent flow through of Local Number Portability Orders for 10 months in 2001 showed statistically significant differences in performance across the region. *Id.* at 41. The Commission added that "BellSouth recommended "Percent Flow-Through" of CLECs' Local Number Portability as the best test of its performance. The handling of Local Number Portability orders does not depend on technical complexities associated with orders for unbundled network elements. Nor is it materially affected by interstate differences in technical complexities (*e.g.*, UNE orders) of CLECs' wholesale orders, local weather conditions, or local permitting requirements, factors which BellSouth has relied upon to explain interstate disparities in its performance." *Id.*
29. With respect to the Pricewaterhouse Coopers attestation, the Authority concluded that "PWC's attestation was seriously flawed by its failure to analyze OSS code or adequately

analyze actual performance data, and by its failure to review Bellsouth's highly complex ordering process for a sufficient period of time. Further, testimony from the December 3rd through 6th Hearing convinced a majority of the Directors that BellSouth had exerted inappropriate influence on PWC's attestation of the regionality of BellSouth's OSS." *Id.* at 42.

30. Because it now appears that BellSouth's OSS is not regional, BellSouth cannot rely on its Georgia performance to show its OSS is ready, as it did in persuading the Commission to approve its section 271 application for Louisiana. But without such evidence, BellSouth has little basis to claim that its OSS is ready outside of Georgia. No complete third-party test has been conducted outside of Georgia, and BellSouth has relatively little experience processing UNE-P orders residential orders outside of Georgia until very recently. BellSouth does not yet have sufficient commercial experience in the states at issue here to determine that its OSS is ready to process commercial volumes of orders.

CONCLUSION

This concludes my declaration on behalf of WorldCom.